

## **K-12 RETIREE ALLOCATION PAYMENT METHOD**

All school districts and educational service districts (ESDs) are required by Ch. 386 Laws of 1993 (SHB 1784) to remit monies to the Washington State Health Care Authority (HCA) for deposit in the retired school employees' subsidy account. The following instructions and attached form provide the necessary information for payment submission. Any questions should be directed to HCA Insurance Accounting at 360-923-2863. The worksheet is also available online to download at **[www.perspay.hca.wa.gov](http://www.perspay.hca.wa.gov)**.

1. A *K-12 Retiree Subsidy Worksheet* and payments are due from each school district or ESD on a monthly basis beginning October 1993.
2. School districts and ESDs are required to submit worksheets and payments to the HCA by the 15th of the month for which an allocation is due (e.g., October's allocation payment will be due by October 15).
3. Allocation payments will be calculated using one of two methods as shown in the *K-12 Retiree Subsidy Allocation Worksheet*:
  - a) The school district will base all payments on the current fiscal year of the Superintendent of Public Instruction (SPI) S275 and S277 reports, or
  - b) The school district will base all payments on actual benefits calculated on a monthly basis upon the prior month's actual qualified benefits recipients.
4. In both methodologies, this will include:
  - a) All full-time employees; or
  - b) Part-time employees who are employed in an eligible position as defined in RCW 41.32.010 or RCW 41.40.010 and are also eligible for contribution toward insurance benefits.

NOTE: Payment is required regardless of the funding source (local vs. state).

5. Benefits, for the purpose of the part-time employee calculation, include medical, dental, vision, group term life, and group long term disability.

6. Part-time employee benefits will be based on the amount of **benefits** that a part-time employee **receives** as opposed to the amount of benefits for which the part-time employee is eligible. (Please note: It is not based on the number of hours worked by the part-time employee.)
7. For the purpose of calculating part-time employee benefits, the denominator (or amount used to designate full-time employee benefits) will be based on the amount of benefit dollars distributed to full-time eligible employees.
8. When the calculation is based on the SPI's S275 and S277 reports (Method A), the school district will estimate the allocation payment amounts due for October, November, and December; these can be based on the reports from the prior school year or upon another reasonable methodology. The January through September allocation payments will be based on the current school year's S275 and S277 reports which are submitted to the SPI in January. Reconciliation worksheets are the responsibility of each district and shall be provided upon request.
9. As an alternative to Method A described above, allocation payments may be based on an actual count of full-time and part-time employees as shown in Method B on the *K-12 Retiree Subsidy Worksheet*. School districts that choose to submit reports based on actual benefits delivered should be able to provide, upon request, documentation substantiating the level of staffing and benefit funding indicated on the report.
10. School districts that enroll in the PEBB will not pay a separate monthly retiree subsidy payment to the HCA. Participating school districts in which certain (but not all) bargaining units enroll in PEBB plans will reduce their payments to the HCA based on the number of employees who enroll in PEBB plans through their school districts.
11. The reporting year will be 12 months, from October through September.
12. The HCA will not send invoices to school districts. At the beginning of each reporting year, the HCA will send instructions and the reporting format to each school district.

Payment should be made payable to Washington State Treasurer and mailed directly to HCA's payment processing center at:

Washington State Health Care Authority  
K-12 Retiree Allocation Payments  
P. O. Box 24142  
Seattle, WA 98124-0142

Questions regarding payment submission can be directed to the HCA Insurance Accounting at 360-923-2863.

**Washington State Health Care Authority  
K-12 RETIREE SUBSIDY WORKSHEET**

School District/ESD Name \_\_\_\_\_

School District/ESD Number \_\_\_\_\_

Month/Year of Report \_\_\_\_\_

Reporting Methodology:

- A. ☐ S275 & S277 Basis  
    ☐ Based on SPI Prior Year or Estimate (October – December)  
    ☐ Based on SPI Current Year Report (January – September)
- B. ☐ Monthly Actuals

**Please fill in the section below that corresponds with the method selected**

**Method A:**

**S275 (Certified Eligible Employees)**

Full-Time Staff	_____ x	\$45.50 = _____
Part-Time Employees Receiving:		
Equal to or more than 87.5% of Benefits	_____ x	45.50 = _____
62.5% to 87.49% of Benefits	_____ x	34.13 = _____
37.5% to 62.49% of Benefits	_____ x	22.75 = _____
12.5% to 37.49% of Benefits	_____ x	11.38 = _____

Subtotal: S275 Subsidy Due \$ \_\_\_\_\_

**S277 (Classified Eligible Employees)**

Full-Time Staff	_____ x	\$45.50 = _____
Part-Time Employees Receiving:		
Equal to or more than 87.5% of Benefits	_____ x	45.50 = _____
62.5% to 87.49% of Benefits	_____ x	34.13 = _____
37.5% to 62.49% of Benefits	_____ x	22.75 = _____
12.5% to 37.49% of Benefits	_____ x	11.38 = _____

Subtotal: S277 Subsidy Due \$ \_\_\_\_\_

Adjustment of October – December Estimates \_\_\_\_\_

*January Only/Method A: Attach Worksheet*

Less employees enrolled in PEBB plans \_\_\_\_\_ x \$45.50 = \_\_\_\_\_

Total Amount Due for the Month \$ \_\_\_\_\_

**Method B:**

Number of Full-Time Eligible Employees	_____
Number of Part-Time Eligible Employees	_____
Average Percentage of Benefits for Part-Time Employees	_____

Number of Employees enrolled in PEBB plans \_\_\_\_\_

Total Amount Due for the Month \$ \_\_\_\_\_

***I certify that the information in this report is correct and that the financial calculation upon which this report is based is accurate.***

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Washington State Health Care Authority**  
**K-12 RETIREE SUBSIDY METHOD A - RECONCILIATION**

**This worksheet will determine the January Reconciliation for School Districts Using Method A (S275 and S277) by calculating the adjustment of amounts submitted based on estimates for October, November and December. *This worksheet should not be used by school districts or ESDs that are calculating the subsidy based upon actual staffing counts on a month-to-month basis (Method B).***

Amount Due Per Month per S275/S277 Calculation \$ \_\_\_\_\_  
x 3 months

Adjusted Subsidy for Period October – December \_\_\_\_\_

Actual Amount Submitted October \_\_\_\_\_

Actual Amount Submitted November \_\_\_\_\_

Actual Amount Submitted December \_\_\_\_\_

Amount Previously Submitted for Period October – December \_\_\_\_\_

Additional Amounts Due (Overpaid) for October – December \$ \_\_\_\_\_

Add (subtract) the amount shown to the January amounts due on the January report submission.